

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 9556-C
KENTUCKY GAS COMPANY)

O R D E R

On October 31, 1986, the Commission issued its Order in Case No. 9556 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On July 6, 1987, Western Kentucky Gas Company ("Western") filed its quarterly GCA which is to become effective August 1, 1987, and is to remain in effect until November 1, 1987.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Western's notice of July 6, 1987, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the overall wholesale increase in gas costs from its suppliers in the amount of 5.71 cents per Mcf.

(2) Western's notice set out a total refund adjustment of .71 cents per Mcf.

(3) Western's notice set out an actual adjustment of 10.43 cents per Mcf to return previous overcollections to its customers.

(4) Because this is Western's third GCA filing, it has no balance adjustment.

(5) Western proposed a gas cost adjustment ("GCA"), or a decrease from its Base Cost of Gas Component, of 35.67 cents per Mcf. This decrease represents the combined effect of the supplier decrease, the refund adjustment and the actual adjustment.

(6) Western's corrected adjustments in rates under the provisions approved by the Commission in its Order in Case No. 9556, dated October 31, 1986, are fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after August 1, 1987.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after August 1, 1987.

(2) The GCA shall be 35.67 cents per Mcf effective with final meter readings on and after August 1, 1987.

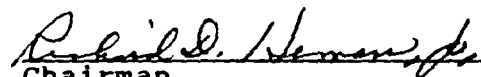
(3) Within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

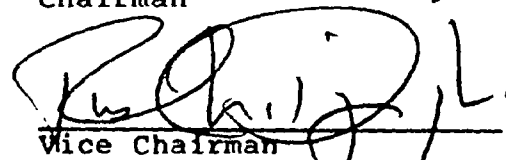
(4) Western shall continue to charge all its transportation customers using gross margin transportation rates.

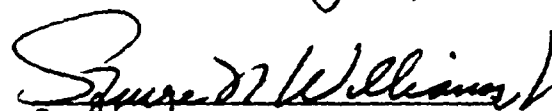
(5) Western shall calculate its expected gas cost by including all Tennessee charges in commodity charges as authorized herein.

Done at Frankfort, Kentucky, this 24th day of July, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9556-C DATED JULY 24, 1987.

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Gas Cost Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$.3567) per Mcf of gas used during the billing period.

The base rate for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

Texas Gas Transmission Corp.

	<u>Demand-1</u>	<u>Demand-2</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$4.40	\$.1208	\$2.3864	-0-
G-3	4.67	.1327	2.4105	-0-
G-4	4.86	.1421	2.4278	-0-

Tennessee Gas Pipeline Co.

GS-2	-0-		.6257/Dth	1.7924/Dth
Local Producers		-0-	-0-	2.2426/Dth